



Board of Directors

Brooke Smith
Chico - Vice President

Bruce Spangler
Oroville - President

Dori Franklin
Chico - Secretary

Haroon Saddique
Paradise

Kiran Paragji
Oroville

Mohammad Billah
Chico

Nicole Johansson
At Large

Scott Stoller
At Large - Treasurer

Advisors to the Board

Betsy Yarbrough
County-wide

Debbie Collins
Chico

Evie Cameron
Paradise

Heather MacDonald
Unincorporated County

Heather Johnson
Oroville

Jennifer Macarthy
County-wide

Jovanni Tricerri
Unincorporated County

Kelsey Torres
Chico

Melissa Schuster
Paradise

Board of Directors

Regular Meeting

April 12, 2018
8:00 – 9:15 a.m.

Meeting Location:

Chapelle de L'Artiste
3300 Inspiration Lane, Paradise

Purpose The purpose of this corporation shall be to promote Butte County tourism through the development and operation of a tourism business improvement district and other programs and initiatives.

Agenda

1. **Closed Session** (8:00–8:30 a.m.) – Executive Director contract review
2. **Call Meeting to Order** (8:30–9:15 a.m.)
3. **Corrections and/or Changes to the Agenda**
 - a. Board
 - b. Public
4. **Consent Agenda**
 - a. Meeting Minutes – March 2, 2018 and Special Meeting Minutes – March 23, 2018
5. **Public Comment** (non-agenda items; please limit to 5 minutes each)
6. **Regular Agenda**
 - a. Presentation – Everybody Healthy Body (10 minutes)
 - b. Finance Committee update
 - i. March financial reports
 - ii. Financial statements with independent accountant's compilation report
 - c. Staffing Committee report



- d. Office Space Committee report
 - i. Review of locations visited
 - ii. Recommendation of additional start-up expenses
- e. State Fair Committee report
- f. Zone Marketing Committee report
- g. Marketing Committee report
 - i. San Francisco Chronicle – print piece
 - ii. SF Gate – digital story
 - iii. RFP – Advertising Services; presentations to be made at next board meeting
 - iv. Review of analytics
 - v. Social media contract
- h. Program Coordinator Report

Adjournment

Next meeting – Special Meeting, April 20, 2018



Explore Butte County Board of Directors

Annual Meeting

March 8, 2018
12:00 – 2:00 pm

Meeting Location:

Courtyard by Marriott
2481 Carmichael Drive, Chico

Members of the Board

Bruce Spangler, President (Oroville)
Brooke Smith, Vice President (Chico)
Dori Franklin, Secretary (Chico)
Jennifer Macarthy, Treasurer (At Large)
Kiran Paragji, America's Best Value Inn (Oroville)
Nicole Johansson, Sierra Oro Farm Trail (At Large)
Haroon Saddique, Best Western Paradise Hotel(Paradise)
Mohammad Billah, Hotel University (Chico)
Vacant, Unincorporated County (Unincorporated)

Advisory Positions

Pamela Teeter, Paradise Chamber (Paradise)
Scott Stoller, Silver Dollar Fair (Chico)
Heather MacDonald, Butte County (Unincorporated)
Debbie Collins, City of Chico (Chico)
Melissa Schuster, Town of Paradise (Paradise)

Purpose: The purpose of this corporation shall be to promote Butte County tourism through the development and operation of a tourism business improvement district and other programs and initiatives.

1. 12:00pm – Call Meeting to Order:

Meeting called to order at 12:06 p.m.

Present: Bruce Spangler, Brooke Smith, Dori Franklin, Jennifer Macarthy, Kiran Paragji*, Nicole Johansson, Haroon Saddique, Mohammad Billah, Scott Stoller, Heather MacDonald, Debbie Collins, Melissa Schuster

Absent: None

Guests: Carolyn Denero, Program Coordinator EBC; Betsy Yarbrough, Action News; Jen Leonard, Almendra; Tony Catalano, Forebay Aquatic Center; Jenny Kincaid, Best Western Chico; Daniel Bond, Langlers; Heather Johnson, Langlers; Kelsey Torres, Chico Chamber; Christian Gutierrez, DCBA; Erin Morrissey, DCBA; Pat Macias, monca; Audrey Taylor, EBHB; Jovani Tricerri, EBHB; Casey Hatcher, County of Butte

*Late arrival

2. Corrections and/or Changes to the Agenda

- a. Board
- b. Public

No corrections or changes to the agenda requested

3. Consent Agenda

- a. Meeting Minutes – January 11, 2018 and February 8, 2018 (Special Meeting)
- b. **MOTION** to approve the meeting minutes from January 11 and February 8 as written. (Motion: Macarthy; Second: Billah) Ayes 7, Noes 0, Abstain 0. Passed 7-0.

4. Public Comment (non-agenda items; please limit to 5 minutes each)

- a. Melissa Schuster – encourages all to attend a Blue Zone meeting taking place March 19 in Paradise. Paradise is looking into becoming a Blue Zone; it is more of a regional idea. They expect the movement will expand regionally. Blue Zone designations have shown to increase TOT and tourism to an area.

5. Regular Agenda

- a. Nomination Committee
 - i. Recommendation to accept bylaw changes regarding advisory board language

Review of the bylaw changes as proposed and posted for more than 7 days, per bylaws. **MOTION** to approve the bylaw changes as proposed. (Motion: Johansson; Second: Billah) Ayes 8, Noes 0, Abstain 0. Passed 8-0.

ii. Board of Director

1. Distribute director election ballots

2. Those positions expiring and/or unfilled

The nomination committee reviewed the board positions and those expiring this term. Those who followed the procedure have already submitted their nomination information for a position. If there is anybody from the audience who did not submit prior to the deadline but would like to run, they can do so from the floor.

a. Lodging – Chico x 2

b. Lodging – Oroville x 1

c. Lodging – Unincorporated x 1

d. Community at Large – x 2

3. Recommendations from nominations committee, followed by speeches (3-minutes maximum).

The recommendations by the nomination committee are below. All listed were present and presented to the room.

a. Chico Lodging

i. Brooke Smith – Residence Inn by Marriott and Courtyard by Marriott

ii. Dori Franklin – Oxford Suites

b. Oroville Lodging

i. Bruce Spangler – Holiday Inn Express & Suites

c. Unincorporated

i. No nominations received prior to meeting

d. Community at Large

i. Nicole Johansson

ii. Casey Hatcher

4. Call for additional nominations from the floor, followed by speeches (3-minutes maximum)

Nominations from floor: Jenny Kinkaid, GM of Best Western Chico; she would represent Chico lodging. Erin Morrissey, Downtown Chico Business Association, member at large. Scott Stoller, Manager of Silver Dollar Fairgrounds; he would represent member at large.

5. Vote and announcement of new directors to the board

FINAL VOTE FOR BOARD OF DIRECTORS

a. Dori Franklin – Chico lodging

b. Brooke Smith – Chico lodging

c. Bruce Spangler – Oroville lodging

d. Scott Stoller – Community at Large

e. Nicole Johansson – Community at Large

iii. Officer of the board election

1. Distribute officer election form

2. Review officer descriptions and terms: President, Vice President, Treasurer, Secretary
3. Nominations for each position, and why
Bruce Spangler was nominated for President of the Board by Brooke Smith
Brooke Smith was nominated for Vice President of the Board by Nicole Johansson
Scott Stoller was nominated for Treasurer of the Board by Dori Franklin
Dori Franklin was nominated for Secretary of the Board by Nicole Johansson

MOTION to close the nominations for officers and accept as verbally nominated. (Motion: Stoller; Second: Johansson) Ayes 8, Noes 0, Abstain 0. Passed 8-0.

4. Vote and announcement of new officers of the board

OFFICERS OF THE BOARD

- a. Bruce Spangler – President
- b. Brooke Smith – Vice President
- c. Scott Stoller – Treasurer
- d. Dori Franklin - Secretary

iv. Advisory Board election

1. Distribute advisory election form
2. Review duties of advisory board members
3. All advisory board positions expire annually. Two positions available as follows: Biggs, Chico, Paradise, Oroville, Unincorporated Butte County, Entire County
4. Review all nominations submitted prior to March 1. Opportunity for all interested advisors to speak to board of directors (3-minute maximum)
Speeches by Debbie Collins, Chico; Betsy Yarbrough, Chico; Evie Cameron (as read by Denero), Paradise; Kelsey Torres, Chico; Heather MacDonald, Unincorporated County; Jennifer Macarthy, entire County
5. Call for additional nominations from the floor (3-minute maximum)
Melissa Schuster, Paradise; Jovanni Tricerri nominated by Audrey Taylor for unincorporated County; Heather Johnson nominated by Daniel Bond for Oroville; Jen Leonard for unincorporated County.
Stoller – can Betsy Yarbrough be moved to entire county since Action News isn't specifically focused on Chico? Yes – Yarbrough is moved to nomination for county-wide advisor.
6. Vote and announcement of new advisors to the board

FINAL VOTE FOR ADVISORY BOARD

- a. Biggs – No seats
- b. Chico: Kelsey Torres, Chico Chamber of Commerce; Debbie Collins, City of Chico
- c. Paradise: Evie Cameron, Blue Team Realty; Melissa Schuster, Paradise Town Council
- d. Oroville: Heather Johnson, ODBA/Langlers

- e. Unincorporated Butte County: Heather MacDonald, County of Butte; Giovanni Tricerri, Everybody Healthy Body
 - f. County-wide: Jennifer Macarthy, Advance North State; Betsy Yarbrough, Action News Now
- b. Finance Report
- c. Macarthy – finance report: 70% of the EBC budget is to be spent on marketing. Currently the 2017 budget is underspent by about \$200,000. The 2018 budget was built with a few more line items that included the state capitol display, staffing, office space and zone marketing. \$75,000 of the reserve is specifically designated for TBID renewal so those funds are available as needed.
- d. Staffing Committee
 - i. Status of E.D. recruitment
Johansson – the staffing committee has been working with Amy from the Alliance for Workforce Development (AFWD); she has been very helpful. The Executive Director job opening was posted for three and a half weeks. At this point the candidate pool is narrowed down to 4 candidates; 2 to be interviewed this Friday, 2 next Friday. The final 2 candidates will be presented to the Board.
- e. Ad hoc committee creation – to research and coordinate office set up for staff
Explore Butte County needs to have office space. Saddique and Stoller have had a brief conversation but need to convene a committee and make an office space recommendation at the next board meeting. Billah would like to join this committee. Office space committee to be: Haroon Saddique, Scott Stoller, Mohammad Billah.
- f. Marketing Committee Report
 - i. Update from Chair
Last month a special meeting was called to discuss The Abbi Agency and SMG Consulting. A vote was taken, and the contract was cancelled with 30-day notice. This gives the board an opportunity to look at other ad agencies. The original RFP, which was won by TAA asked them to create the brand, logo and website and build a foundation for EBC. The next RFP for advertising will be more specific to advertising and be more strategic. In the original RFP EBC asked a firm to do everything and that just isn't realistic. The duties and functions need to be split out. The deadline for the Advertising services RFP is March 15; there is an expectation of receiving 2 or 3 proposals.
The marketing committee is also working on a vendor list of local companies who can help on other tasks.
 - ii. *San Francisco Chronicle* – update on progress and review of preliminary print and Story Studio
The advertising deadline is March 9. The print version will be March 18; the Story studio will follow.
 - iii. State Capitol window display – update on progress
Review of concepts provided by David Selkirk.
- g. State Fair Committee – recommendation to reconvene for 2018 planning
The committee for the preparation of the State Fair booth needs to be reconvened to find a booth builder and develop the space. Committee members: Heather MacDonald, Mohammad Billah, Nicole Johansson, Scott Stoller.

- h. Program Coordinator Report
 - i. Request from Team Chico – hotel data to help support economic benefit from events
 - ii. Strategic planning session update – date selection: Date of April 12 selected.
 - iii. Zone marketing – progress of applications
 - iv. Participation at North State Economic Forum – written report
 - v. Vacation rentals

6. Closed Session – No

Meeting adjourned at 2:12 p.m.

Notes respectfully submitted by Carolyn Denero.



Explore Butte County Board of Directors

Special Meeting – Closed Session

March 23, 2018
12:00 – 12:30 pm

Meeting Location:

Closed Session via Conference Call
Only BOD sent call-in information

Members of the Board

Bruce Spangler, President (Oroville)
Brooke Smith, Vice President (Chico)
Dori Franklin, Secretary (Chico)
Scott Stoller, Treasurer (At Large)
Kiran Paragji, America's Best Value Inn (Oroville)
Nicole Johansson, Sierra Oro Farm Trail (At Large)
Haroon Saddique, Best Western Paradise Hotel(Paradise)
Mohammad Billah, Hotel University (Chico)
Vacant, Unincorporated County (Unincorporated)

Purpose: The purpose of this corporation shall be to promote Butte County tourism through the development and operation of a tourism business improvement district and other programs and initiatives.

1. Closed Session

2. Roll Call

- a. Present – Bruce Spangler, Scott Stoller, Brooke Smith, Nicole Johansson, Haroon Saddique, Kiran Piragji
- b. Absent – Dori Franklin, Mohammad Billah

3. Business

- a. Staffing – Review of Executive Director candidates
- b. Recommendation from Staffing Committee
MOTION to move forward with Carolyn Denero as candidate for Executive Director of EBC. (Motion: Johansson; Second: Saddique) Ayes 6, No 0, Abstain 0. Passed 6-0. Vote done by roll call. MOTION for salary offer (Motion: Stoller); offer amended to include benefits (Second: Johansson). Ayes 6, No 0, Abstain 0. Passed 6-0. Vote done by roll call.

Minutes respectfully submitted by Brooke Smith.

Explore Butte County
Balance Sheet
As of March 31, 2018

	Mar 31, 18
ASSETS	
Current Assets	
Checking/Savings	
1000 · Tri Counties Bank	1,016,583.78
Total Checking/Savings	1,016,583.78
Total Current Assets	1,016,583.78
TOTAL ASSETS	1,016,583.78
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2300 · TCB Credit Card	-112.66
Total Credit Cards	-112.66
Total Current Liabilities	-112.66
Total Liabilities	-112.66
Equity	
3200 · Unrestricted Net Assets	827,920.02
3300 · Net Assets - Reserved	
3350 · Reserved - TBID Renewal Fees	75,000.00
3360 · Reserved - Zone Marketing	145,673.29
Total 3300 · Net Assets - Reserved	220,673.29
Net Income	-31,896.87
Total Equity	1,016,696.44
TOTAL LIABILITIES & EQUITY	1,016,583.78

Explore Butte County Profit & Loss Budget Overview

March 2018

	Mar 18	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4000 · Program Income			
4200 · Butte County	119.85	637.50	-517.65
4300 · Chico	39,399.30	48,450.00	-9,050.70
4400 · Oroville	9,573.54	11,475.00	-1,901.46
4500 · Paradise	0.00	3,187.50	-3,187.50
4000 · Program Income - Other	0.00	0.00	0.00
Total 4000 · Program Income	49,092.69	63,750.00	-14,657.31
4800 · Other Types of Income			
4810 · Interest Income	15.25	0.00	15.25
Total 4800 · Other Types of Income	15.25	0.00	15.25
Total Income	49,107.94	63,750.00	-14,642.06
Cost of Goods Sold			
5000 · 2% Fee			
5200 · 2% Fee - Butte County	0.00	12.50	-12.50
5300 · 2% Fee - Chico	787.99	950.00	-162.01
5400 · 2% Fee - Oroville	191.47	225.00	-33.53
5500 · 2% Fee - Paradise	0.00	62.50	-62.50
Total 5000 · 2% Fee	979.46	1,250.00	-270.54
Total COGS	979.46	1,250.00	-270.54
Gross Profit	48,128.48	62,500.00	-14,371.52
Expense			
6000 · Sales and Marketing Expense			
6005 · Capital Display	0.00	417.00	-417.00
6010 · Conferences	0.00	416.00	-416.00
6015 · Contract services - Marketing	3,360.00	584.00	2,776.00
6020 · Dues and Memberships	15.00	334.00	-319.00
6040 · Marketing contracts	31,420.37	29,116.00	2,304.37
6050 · Meals	0.00	166.00	-166.00
6055 · Staffing	0.00	5,134.00	-5,134.00
6060 · State Fair Exhibit	0.00	1,250.00	-1,250.00
6070 · Website	300.00	84.00	216.00
6000 · Sales and Marketing Expense - Other	0.00	417.00	-417.00
Total 6000 · Sales and Marketing Expense	35,095.37	37,918.00	-2,822.63
6900 · Zone and Micro-Marketing			
6910 · Outside Contract Services	0.00	5,416.00	-5,416.00
Total 6900 · Zone and Micro-Marketing	0.00	5,416.00	-5,416.00
7000 · Administration Expenses			
7010 · Advertising	0.00	166.00	-166.00
7020 · Bank fees	-50.79	8.00	-58.79
7030 · Conference, Convention, Meeting	0.00	42.00	-42.00
7040 · Contract services	1,440.00	250.00	1,190.00
7050 · Education	0.00	209.00	-209.00
7055 · Filing fees/ taxes	0.00	8.00	-8.00
7058 · General Administration	0.00	1,725.00	-1,725.00
7060 · Insurance	0.00	250.00	-250.00
7070 · Meals	168.11	166.00	2.11
7080 · Membership dues	0.00	17.00	-17.00
7085 · Miscellaneous	0.00	42.00	-42.00
7090 · Office supplies	0.00	208.00	-208.00
7100 · Postage	0.00	42.00	-42.00
7110 · Printing and Copying	81.68	83.00	-1.32
7120 · Professional fees - Accounting	3,925.00	1,000.00	2,925.00
7130 · Professional fees - Legal	225.00	417.00	-192.00
7140 · Promotion	0.00	8.00	-8.00

Explore Butte County Profit & Loss Budget Overview

March 2018

	Mar 18	Budget	\$ Over Budget
7145 · Rent/ Office Space	0.00	1,000.00	-1,000.00
7150 · Rent/ Storage	45.00	66.00	-21.00
7155 · Staffing	0.00	2,200.00	-2,200.00
7160 · Subscriptions	65.19	83.00	-17.81
7180 · Telephone, Telecommunications	0.00	50.00	-50.00
7190 · Travel	0.00	83.00	-83.00
7000 · Administration Expenses - Other	0.00	0.00	0.00
Total 7000 · Administration Expenses	5,899.19	8,123.00	-2,223.81
8000 · Contingency	0.00	1,625.00	-1,625.00
9000 · Collection Expense	0.00	1,083.00	-1,083.00
Total Expense	40,994.56	54,165.00	-13,170.44
Net Ordinary Income	7,133.92	8,335.00	-1,201.08
Net Income	7,133.92	8,335.00	-1,201.08

Explore Butte County Profit & Loss Budget Overview January through March 2018

	Jan - Mar 18	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
4000 · Program Income			
4200 · Butte County	571.29	1,912.50	-1,341.21
4300 · Chico	90,666.93	145,350.00	-54,683.07
4400 · Oroville	9,573.54	34,425.00	-24,851.46
4500 · Paradise	0.00	9,562.50	-9,562.50
4000 · Program Income - Other	0.00	0.00	0.00
Total 4000 · Program Income	100,811.76	191,250.00	-90,438.24
4800 · Other Types of Income			
4810 · Interest Income	47.89	0.00	47.89
Total 4800 · Other Types of Income	47.89	0.00	47.89
Total Income	100,859.65	191,250.00	-90,390.35
Cost of Goods Sold			
5000 · 2% Fee			
5200 · 2% Fee - Butte County	9.03	37.50	-28.47
5300 · 2% Fee - Chico	1,813.34	2,850.00	-1,036.66
5400 · 2% Fee - Oroville	191.47	675.00	-483.53
5500 · 2% Fee - Paradise	0.00	187.50	-187.50
Total 5000 · 2% Fee	2,013.84	3,750.00	-1,736.16
Total COGS	2,013.84	3,750.00	-1,736.16
Gross Profit	98,845.81	187,500.00	-88,654.19
Expense			
6000 · Sales and Marketing Expense			
6005 · Capital Display	4,237.50	1,250.00	2,987.50
6010 · Conferences	46.47	1,250.00	-1,203.53
6015 · Contract services - Marketing	11,667.08	1,750.00	9,917.08
6020 · Dues and Memberships	15.00	1,000.00	-985.00
6040 · Marketing contracts	97,854.16	87,350.00	10,504.16
6050 · Meals	172.90	500.00	-327.10
6055 · Staffing	0.00	15,400.00	-15,400.00
6060 · State Fair Exhibit	0.00	3,750.00	-3,750.00
6070 · Website	333.84	250.00	83.84
6000 · Sales and Marketing Expense - Other	0.00	1,250.00	-1,250.00
Total 6000 · Sales and Marketing Expense	114,326.95	113,750.00	576.95
6900 · Zone and Micro-Marketing			
6910 · Outside Contract Services	0.00	16,250.00	-16,250.00
Total 6900 · Zone and Micro-Marketing	0.00	16,250.00	-16,250.00
7000 · Administration Expenses			
7010 · Advertising	0.00	500.00	-500.00
7020 · Bank fees	6.00	24.00	-18.00
7030 · Conference, Convention, Meeting	0.00	126.00	-126.00
7040 · Contract services	4,752.00	750.00	4,002.00
7050 · Education	0.00	625.00	-625.00
7055 · Filing fees/ taxes	0.00	24.00	-24.00
7058 · General Administration	5,550.00	5,175.00	375.00
7060 · Insurance	0.00	750.00	-750.00
7070 · Meals	320.48	500.00	-179.52
7080 · Membership dues	0.00	51.00	-51.00
7085 · Miscellaneous	0.00	126.00	-126.00
7090 · Office supplies	0.00	624.00	-624.00
7100 · Postage	146.00	125.00	21.00
7110 · Printing and Copying	158.24	250.00	-91.76
7120 · Professional fees - Accounting	4,915.00	3,000.00	1,915.00
7130 · Professional fees - Legal	225.00	1,250.00	-1,025.00
7140 · Promotion	0.00	24.00	-24.00

Explore Butte County
Profit & Loss Budget Overview
 January through March 2018

	Jan - Mar 18	Budget	\$ Over Budget
7145 · Rent/ Office Space	0.00	3,000.00	-3,000.00
7150 · Rent/ Storage	180.00	200.00	-20.00
7155 · Staffing	0.00	6,600.00	-6,600.00
7160 · Subscriptions	163.01	250.00	-86.99
7180 · Telephone, Telecommunications	0.00	150.00	-150.00
7190 · Travel	0.00	249.00	-249.00
7000 · Administration Expenses - Other	0.00	0.00	0.00
Total 7000 · Administration Expenses	16,415.73	24,373.00	-7,957.27
8000 · Contingency	0.00	4,875.00	-4,875.00
9000 · Collection Expense	0.00	3,250.00	-3,250.00
Total Expense	130,742.68	162,498.00	-31,755.32
Net Ordinary Income	-31,896.87	25,002.00	-56,898.87
Net Income	-31,896.87	25,002.00	-56,898.87

EXPLORE BUTTE COUNTY

Chico, California

**FINANCIAL STATEMENTS WITH
INDEPENDENT ACCOUNTANT'S
COMPILATION REPORT**

December 31, 2017

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December 31, 2017

Explore Butte County

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HOLLY B. PLADSON

— ♦ Certified Public Accountant ♦ —

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Explore Butte County
Chico, California

Management is responsible for the accompanying financial statements of Explore Butte County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Holly B. Pladson, CPA

Chico, California
March 21, 2018

70 Declaration Drive, Suite 202, Chico, CA 95973

530.342.4002 Phone

530.342.4099 Fax

www.hpladsoncpa.com

FINANCIAL SECTION

STATEMENT OF FINANCIAL POSITION*Explore Butte County*

December 31	2017
ASSETS	
CURRENT ASSETS	
Cash	\$ 869,340
Accounts receivable	180,003
Total Assets	\$ 1,049,343
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 750
Total Liabilities	750
NET ASSETS	
Unrestricted, Unreserved	827,920
Board Designated Reserve - TBID Renewal Fees	75,000
Board Designated Reserve - Zone Marketing	145,673
Total Net Assets	1,048,593
Total Liabilities and Net Assets	\$ 1,049,343

The accompanying notes and accountant's report are an integral part of these financial statements.

**STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS**

Explore Butte County

Year Ended December 31, 2017	Unrestricted
REVENUE AND OTHER SUPPORT	
Program Income	\$ 817,479
Less: 2% fee	(16,350)
Total Net Revenue	801,129
OTHER SUPPORT	
Interest and Dividend Income	136
Total Other Support	136
Total Revenue and Other Support	801,265
EXPENSES	
Program Services - Sales and Marketing	267,322
Management and General	62,297
Total Expenses	329,619
Change in Net Assets	471,646
Net Assets - Beginning of Year	576,947
Net Assets - End of Year	\$ 1,048,593

The accompanying notes and accountant's report are an integral part of these financial statements.

STATEMENT OF CASH FLOWS*Explore Butte County*

Year Ended December 31	2017
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 471,646
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in:	
Accounts receivable	(54,415)
Accounts payable	750
Net Cash Provided by Operating Activities	417,981
Net Increase in Cash	417,981
Cash - Beginning of Year	451,359
Cash - End of Year	\$ 869,340
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash Paid During the Year for:	
Interest Expense	\$ -
Cash Paid During the Year for:	
Income Tax Expense	\$ -

The accompanying notes and accountant's report are an integral part of these financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Explore Butte County

Year Ended December 31, 2017	Program Services	Management and General	Total Expenses
Advertising	\$ -	\$ 332	\$ 332
Conferences	500	-	500
Contract servcies	37,386	10,803	48,189
Dues and memberships	1,090	3,509	4,599
Filing fees/ taxes	-	10	10
Insurance	-	1,350	1,350
Marketing contracts	174,782	-	174,782
Meals and entertainment	115	1,468	1,583
Miscellaneous	-	2,075	2,075
Office supplies	-	298	298
Postage	-	171	171
Printing and copying	-	562	562
Professional fees - accounting	-	5,642	5,642
Professional fees - legal	-	1,425	1,425
Promotion	-	100	100
Rent/ storage	-	254	254
Sales and marketing	34,747	-	34,747
State fair exhibit	15,402	-	15,402
Tourism Business Improvement District formation fees	-	34,298	34,298
Website	3,300	-	3,300
Total Expenses	\$ 267,322	\$ 62,297	\$ 329,619

The accompanying notes and accountant's report are an integral part of these financial statements.

**NOTES TO THE
FINANCIAL STATEMENTS**

Explore Butte County

December 31, 2017

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities The Butte County Tourism Business Improvement District (TBID), also known as Explore Butte County, is an assessment district formed pursuant to the Property and Business Improvement Law of 1994. The Butte County Tourism Business Improvement was formed as a tax-exempt organization under Internal Revenue Code Section 501(c)(6) in November 2015, and includes the communities of Chico, Oroville, Paradise, Biggs, and the unincorporated area of Butte County. The annual assessment rate is two percent of gross short-term room rental revenue. Utilizing assessment funds collected, Explore Butte County (the Organization) intends to strategically market the region with the goal of increasing overnight stays.

Grant funds are received to assist the operation of the Organization's programs from Butte County Department of Behavioral Health.

Basis of Accounting The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles, and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Unrestricted net assets can include amounts that are designated by the Board of Directors, and these designations can change from year to year.

Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalent The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. At times, the Organization maintains cash deposits in bank accounts which exceed federally insured limits. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Fair Value of Financial Instruments Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments approximate the carrying values of such assets.

Accounts Receivable Accounts receivable represent amounts due from the various cities and communities for their assessment fees. Losses on uncollectible accounts receivable are recognized when such losses become known or indicated. Management considers all accounts fully collectible.

**NOTES TO THE
FINANCIAL STATEMENTS**

Explore Butte County

December 31, 2017

Concentrations of Credit Risk Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash balances and accounts receivable.

The Organization maintains its cash balances primarily at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, the Organization's balances exceed the insured amount.

The accounts receivable of the Organization are related to the agreements with various cities and communities and are deemed to be fully collectible.

Functional Allocation of Expenses Although not required, the costs of providing the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes The Organization is exempt from federal and state income taxes under Section 501(c)(6) of the *Internal Revenue Code* and Section 23701 of the *California Revenue and Taxation Code*. There is no unrelated taxable income, and accordingly there is no provision for income taxes in these financial statements. The Organization files information returns with the federal and state governments, which are open for examination by the authorities for three years after filing.

Advertising The Organization charges advertising costs to expense as incurred.

Subsequent Events Subsequent events have been evaluated through March 21, 2018, which is the date the financial statements were available to be issued.

2. ACCOUNTS RECEIVABLE

Accounts receivable are unconditional and due within one year. Accounts receivable consisted of the following at December 31:

	2017
Butte County	\$ 212
City of Chico	131,245
Oroville	37,927
Town of Paradise	10,619
Total Accounts Receivable	\$ 180,003

**NOTES TO THE
FINANCIAL STATEMENTS**

December 31, 2017

Explore Butte County

3. LINES OF CREDIT

The following is a summary of the revolving lines of credit at December 31:

<u>Year Ended December 31, 2017</u>	<u>Interest</u>	<u>Credit Limit</u>	<u>Balance</u>
<u>Tri Counties Bank</u>	<u>16.24%</u>	<u>\$ 10,000</u>	<u>\$ 750</u>
<u>Total</u>		<u>\$ 10,000</u>	<u>\$ 750</u>